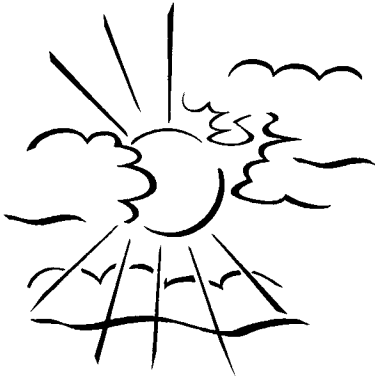


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Articles in Today's Clips

Thursday, January 26, 2006

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Wednesday, January 25, 2006

Governor offers ideas to help Michigan workers State of the State address proposes state-managed 401k plan, increased minimum wage, education initiatives

By KATHY BARKS HOFFMAN
Associated Press Writer

LANSING, Mich. (AP) -- Gov. Jennifer Granholm promised Wednesday to stay the course in her search for jobs and a better-trained work force in her fourth annual State of the State address. She also proposed several ideas she said would help Michigan workers, including access to a state-managed 401k retirement savings plan for small business employees who otherwise wouldn't have one and health coverage for about 500,000 low-income residents who now are uninsured, including the working poor.

The Democratic governor, who faces re-election this year, said her efforts during her tenure to draw new jobs to Michigan and retain those already here is restoring the state economy.

"There are 99,000 more people working right now than when I took office," referring to household figures on those employed. "In the past three years, German and Japanese companies created more than 10,000 jobs and invested \$1.7 billion in Michigan."

he added that domestic automakers have invested over \$9 billion in Michigan facilities in the past three years, and that in the past 12 months more than 1,600 new small businesses opened their doors.

The governor also acknowledged concerns over plant closings announced by General Motors Corp. and Ford Motor Co., but said her plan to stimulate the economy will secure good jobs for Michigan.

"Many fear that good life is slipping away in Michigan as our economy faces unprecedented challenge," she said in an advance copy of her speech released to the media. "I will not stop working ... until we create a Michigan where every one of you, from the autoworker to the homemaker to the nurse, has the opportunity to build that good life."

Granholm called for raising the state minimum wage from \$5.15 an hour to \$6.85 in 2007 and index it to the rate of inflation and for the passage of legislation that would roll back insurance rates by 20 percent.

Granholm also said she wants to make sure all Michigan children have access to higher education.

She proposed changing the Michigan Merit Award scholarship so students who do well on standardized high school tests would get \$1,000 each of their first two years of school -- whether that's at a community college, university or other training -- and \$2,000 more if they earn a two-year associate's degree or become juniors at a four-year university while maintaining a minimum 2.5 grade point average.

If students didn't do well on the high school test, they could get the full \$4,000 by finishing two years of college. Students now qualify for \$2,500, split between their first two years of school, if

they do well on the high school test. Some students also have qualified for \$500 more by doing well on standardized tests in seventh grade.

The governor also urged lawmakers to support a plan requiring high school students to take four classes each in math and English, three each in science and social science, two in world languages and one each in physical education and the arts.

Under a House Republican plan, high school students could, with their parents' permission, opt out of the college-prep curriculum and instead begin receiving vocational training in their freshman year. They would not need to take a foreign language class to graduate.

Granholtz proposed a \$1 billion plan to provide health insurance to half of the 1 million low-income state residents who don't have coverage.

To pay for the Michigan First Health Partnership, the state has asked the federal government for a waiver to use \$600 million in federal money that has been saved by changing the state's Medicaid prescription drug and fee-for-service plans to less costly alternatives.

The plan would shift \$400 million in state spending to the partnership from money the state now pays hospitals and clinics who treat the uninsured, said state Community Health director Janet Olszewski. Participants would pay a sliding amount for coverage based on income and would make Michigan the state with the highest percentage of its population insured, Granholtz said.

The governor also said she wanted lawmakers to remove limits on stem cell research in Michigan, to pass a bill that would make exposing a child to methamphetamine production statutory child abuse and to require school districts to adopt anti-bullying policies to insure children are safe in school.

On the Net:

Gov. Jennifer Granholm: <http://www.michigan.gov/gov>

Thursday, January 26, 2006

Granholt pushes 401(k)s

In 4th State of the State address, gov. also focuses on health care for working poor, Merit Scholarships, minimum wage

Mark Hornbeck and Charlie Cain / Detroit News Lansing Bureau

Michigan employees who have no retirement plan could invest in a state-run 401(k) program under a proposal unveiled Wednesday night by Gov. Jennifer Granholm in her annual statewide address.

The governor, in her fourth State of the State message, also proposed providing health care coverage to a half-million uninsured working poor, rearranging the Merit Scholarship program to award \$4,000 to students who complete two years of college, and removing state limits on controversial stem cell research. She renewed a call to lawmakers to increase the state's minimum wage by \$1.70 to \$6.85 an hour on Jan. 1, 2007, and, barring that, vowed to lead a ballot proposal campaign this fall.

Granholm acknowledged that families are being hurt by the state's sluggish economy, but offered no sweeping new plans to create jobs. Measures approved last year by the Legislature must be given time to work, she said.

"Wherever we live in Michigan, we know that as our auto industry struggles in this global economy, our people feel that pain more than any other state in the country," the 46-year-old first-term governor said.

"Michigan, I am here to tell you: We have a detailed and comprehensive plan to grow this economy. We are working that plan, and everything in that plan will secure the opportunity for a good life for you and for your family. In Michigan."

Details of the proposed state 401(k) plan were sketchy, but administration officials said it likely would be available starting next year to those who work at small businesses that don't have the expertise or resources to offer their own plans. Businesses would have to sign up for the pre-tax investment program. The administrative cost to the state would be nominal, officials said.

"People shouldn't be counting on Social Security for their retirement nest egg," said state Treasurer Jay Rising. "We know that 60 percent of firms with 25 employees or less offer no 401(k)."

Rising said the chief advantage of the state plan over a private Individual Retirement Account is that the 401(k) contributions come out of pre-tax earnings, whereas most IRAs do not.

Economy haunts state

Lurking in the background of a largely upbeat speech was the state's recent record of weak job creation and high unemployment, punctuated this week by the Monday bombshell from Ford Motor Co. that it will lay off 34,000 employees, including nearly 1,600 at the 48-year-old Wixom assembly plant.

Michigan, which had an average 6.8 percent jobless rate last year, far above the 5.1 percent national average, has gone through dramatic upheaval as Detroit-based automakers continue to lose market share.

Her address to the Legislature and a live public television and radio audience was an important one for Granholm, who is seeking re-election this November against Dick DeVos, a Republican businessman who will tap into his considerable wealth and tout his business background in an economically challenged state.

"The governor is a great speech maker and if speech making and high-flying rhetoric were things that make this state great, Michigan would be back," DeVos told The News after the speech. "I'm an optimist, too. But after three years of lack of results, I wonder if the people of Michigan are getting tired of being told they have to wait some more."

The health insurance plan and endorsement of an increase in the state's minimum wage should appeal to her Democratic base, while her latest proposals for economic development and education are designed to help her with independents and moderates.

Republicans sit tight

Republicans, who control the Legislature, were measured in their response -- a signal they won't be inclined to help her win key battles in this election year. As for the governor, she promised to veto a small-business tax cut passed by lawmakers this week.

House Speaker Craig DeRoche questioned the need for a state-operated health care plan for the uninsured.

"The governor's right to be concerned about the growing number of families without health insurance, but rather than create a costly new government program to provide health insurance for the jobless and underemployed, I believe we should marshal our resources to attract and retain high-paying jobs with good benefits," the Novi Republican said.

Granholm acknowledged Detroit Mayor Kwame Kilpatrick in the audience, saying: "The entire state needs and wants Detroit to be successful. We all have to work together to see it happen. So to those who practice the politics of division, who would drive a wedge between the city and the state, let me say this: The only thing that should come between Detroit and Michigan is a comma. Period."

A call for action

Highlights of the final address of her first term included:

A \$1 billion plan to extend health insurance coverage to half a million primarily working poor. The proposal will need approval from the federal government and likely the Legislature and is at least several months away from reality.

Renewal of her call to change the Merit Scholarship program. Now, she intends to offer high school graduates who pass state high school tests \$2,000 to use toward college and another \$2,000 upon completion of two years of college and maintenance of a 2.5 grade point average at Michigan higher education institutions only. Under the current program, a high school graduate can receive \$2,500 to be used at any university or trade program across the country.

Removal of the state's restrictions on stem cell research that holds promise for finding cures for debilitating diseases such as Alzheimer's, Parkinson's and diabetes. Lifting the limits would enable life sciences firms doing work in those areas to locate in Michigan.

Passage of the tougher high school graduation requirements -- including four credits of English and math, three in social studies and science, two in foreign language and one in health education and fine arts -- proposed by the State Board of Education, by March so schools can put them in place this fall.

A proposal to make new investments in after-school programs for middle school students in math, science and computer technology and to increase spending on early childhood education.

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Governor has plan to help uninsured

WOOD TV-8

(Grand Rapids, January 26, 2006, 8:00 a.m.)

Governor Jennifer Granholm has proposed a program to cut the number of uninsured Michigan residents in half. It's called the Michigan First Health Care Plan.

Governor Granholm says the plan would help more than 550,000 residents at a cost of \$1 billion. The state would pay \$400,000 of that, with the rest coming from the federal government.

"[It will] give families who otherwise could not afford health insurance access to a basic, a low-cost health care plan through a private insurance company," said Granholm.

Local supporters of the plan say it's a long time coming. Riate VanderVen started her own business in the 1980s. She's now the executive director of Grand Rapids Opportunities for Women. GROW helps women develop business plans so they can start their own business. VanderVen says the high cost of health insurance causes many budding entrepreneurs to go without.

"They're looking at a lot of risk. If you go and open a store somewhere, who's going to come in if something happens to you? Who's going to take care of you and how are you going to pay those medical bills and pay for your company?" asks VanderVen.

Some are skeptical of the program. Beth Boltinghouse runs a health clinic that caters to the uninsured. She says the Governor's plan is a great concept, but Boltinghouse is worried there won't be enough doctors to cover the plan, citing Medicaid as an example.

"There are many, many people who qualify for Medicaid. Unfortunately, because of the number of physicians who choose not to participate in Medicaid program, people don't have access to care even though they have access to coverage," says Boltinghouse.

The risk is worth the reward, according to Rita Vanderven, if it will help the mom and pop businesses. "The big picture is big business is leaving and small business has always sustained America. It's small business that's going to keep us alive," says VanderVen.

To pay for the Michigan First Health Partnership, the state has asked the federal government for a waiver to use \$600 million in federal money that has been saved by changing the state's Medicaid prescription drug and fee-for-service plans to less costly alternatives.

"The plan would shift \$400 million in state spending to the partnership from money the state now pays hospitals and clinics who treat the uninsured," Community Health director Janet Olszewski says.

The governor says that participants would pay a sliding amount for coverage based on income and would make Michigan the state with the highest percentage of its population insured.

Governor offers ideas to help Michigan workers

January 25, 2006

By CHRIS CHRISTOFF
FREE PRESS STAFF WRITER

LANSING -- Gov. Jennifer Granholm proposed Wednesday a state-run 401(k) retirement plan and state-paid health insurance aimed at Michigan workers who have neither.

In the final State of the State address of her first term, Granholm also called for raising the minimum wage in Michigan and for removal of restrictions on stem-cell research.

The speech laid out themes that are likely to dominate her re-election effort this year.

The retirement plan was the biggest surprise in Granholm's speech, which focused mostly on plans she had already unveiled. Those included a \$1-billion program to encourage new businesses that she and lawmakers approved in December.

Few details were provided for the 401(k) plan, which state Treasurer Jay Rising said would help low-income families save some money for retirement.

Stung by gloomy forecasts about Michigan's economy through 2007, and the announced closing of the Ford Motor Co. Wixom plant this week, Granholm said she already has put in place plans to diversify the state's economy and create jobs.

Michigan residents "feel the pain more than any other state in the country" from the auto industry's struggles, she said, adding, "We have a detailed and comprehensive plan to grow this economy. We are working that plan. And everything in that plan will secure the opportunity for a good life for you and your family."

Granholm said the state has created or retained 327,000 jobs since she became governor in 2003. She thanked lawmakers for passing a \$600-million business tax cut in December.

Republicans demonstrated Wednesday that jobs will be a dominant issue in their bid to unseat Granholm, unveiling an electronic sign that shows the number of state job losses they claim have occurred under the Democrat governor. The GOP plans to follow Granholm with the sign on the campaign trail.

Retirement, health care details

The state would not match contributions to the retirement plan by individuals, who could have their contributions deducted from their paychecks. Rising said the advantage of a state-run retirement plan is that many small businesses don't offer them because they can't afford the administrative costs of a private investment plan.

It was unclear whether the Republican-controlled Legislature would have to approve the

retirement program.

Steve Blakely, communications director for the Employee Benefit Research Institute in Washington, D.C., said he doesn't know of any other states that have started such 401(k) programs. But he said small employers do have a difficult time offering 401(k) plans and other retirement benefits because of high costs to administer, such as hiring a mutual fund company or bank to operate them.

The concept was called ludicrous by David Littmann, a retired Comerica Bank economist who leans libertarian. He said there are plenty of private investment plans.

"Get the government out of it," he said. "The state's own pension plan should get greater scrutiny instead."

The health care proposal would target about 500,000 people who are uninsured, and who earn double the federal poverty level or less. That's about \$38,000 a year for a family of four.

The proposal requires permission and about \$600 million from the federal government, which Granholm has requested.

Cuts in insurance rates

Granholm also called for a 20% rollback in auto and home insurance rates — a proposal that drew sharp criticism from insurance companies.

The speech was certain to draw criticism from Republicans, who have called for further business tax cuts. Granholm did not address taxes, but her spokeswoman, Liz Boyd, said earlier that Granholm would not accept any changes in the Single Business Tax or other taxes that reduced revenues to the state.

Republicans in the House and Senate already this month have challenged Granholm by pushing through legislation to cut taxes to small businesses, and to put more than \$100 million left over from last fiscal year into the state's surplus fund.

Granholm has said she will veto the bills unless lawmakers cut state spending to offset the estimated \$30 million the tax cuts would cost the state.

State Budget Director Mary Lannoye has said a modest surplus would be consumed entirely by the budget in the coming year.

Granholm restated education proposals that are already in negotiations with lawmakers. Foremost are her plans to revamp the state Merit Award Scholarship for college-bound high school students, and to impose a demanding mandatory curriculum for all high schools.

The current Merit Award grants up to \$2,500 to students who become college sophomores. Granholm proposes a maximum \$4,000 grant, with half going to students as they enter universities or community colleges, and the rest after they complete two years.

Granholm called for a \$25-per-pupil increase in funding for K-12 schools, plus money to expand preschool programs and after-school math, science and computer classes for middle school students.

Mirs

January 24, 2006

Health Plan Invites Range Of Reactions

The largest component of Gov. Jennifer **GRANHOLM**'s 2006 State of the State Address is an ambitious proposal to extend health care to 550,000 Michigan residents who are uninsured. The program is being dubbed the "Michigan First Healthcare Plan" by the administration.

The future of the plan hinges on the state receiving a federal waiver to tap into \$600-\$500 million of federal health care money.

Department of Community Health (DCH) Director Janet **OLSZEWSKI** said she accompanied the governor to Washington D.C. for "an encouraging" meeting with U.S. Department of Health & Human Service Secretary Michael **LEAVITT**.

While she wouldn't pin a number on the chances of Michigan getting the necessary waiver, Olszewski said, "it's highly likely." She stressed that "a lot" of work is going to be involved from her staff but the item will be put in the governor's Fiscal Year (FY) 2006 budget with the anticipation that things can get off the ground come April.

As far as the state's \$400 million share of the money, Olszewski stressed that it wasn't "mystery money" and it wasn't based on ambiguous "cost savings". Rather, Michigan will see more money through a reduction in "uncompensated care," among other means.

House Speaker Craig **DeROCHE** (R-Novi) said of the health plan, "Government provided health care will never be a better solution than private sector health care."

Following tonight's speech, a number of lawmakers expressed concern about the cost of providing the insurance.

"I have grave concerns about where they are going to get that money," said House Appropriations Committee Chair Scott **HUMMEL** (R-DeWitt). When asked about Olszewski's assertion the money was already in the budget in various pools now going to pay for uncompensated care, Hummel said he's still concerned.

"If the money is there, I don't have a problem moving it," he told *MIRS*. "I do have a problem in looking at what other states have done."

Senate Appropriations Committee Chair Shirley **JOHNSON** (R-Royal Oak) said she liked what the governor had to say.

"I sincerely hope that we can do something about health care costs because I have too many people in my district, and I have a wealthy district in Oakland County," she added.

Rep. Fulton **SHEEN** (R-Plainwell) was blunt in his assessment of the plan.

"It doesn't have a chance of passing," he said. "Bottom line, that will never pass in this Legislature and we don't have the money."

Granholt Says Jobs Plan Will Continue to Set State's Agenda

State of State Outlines Next Steps in Plan to Create Jobs, Protect Families

LANSING – In the fourth and final State of the State address of her first term, Governor Jennifer M. Granholt detailed Wednesday evening the next steps in her plan to diversify Michigan's economy, create thousands of new jobs, and protect Michigan's families. The Governor talked of her hope for Michigan's future and her concrete, aggressive agenda for turning that hope into good jobs and a stronger economy. "Michigan has the most far-reaching economic plan of any state in the country," Granholt told a joint session of the Legislature. "It's an aggressive \$6 billion plan to grow jobs today and jobs tomorrow. And it's about to get even more aggressive." Granholt highlighted a number of successes produced through her focus on growing the economy and her Jobs Today, Jobs Tomorrow plan which was first announced in last year's State of the State address. She pointed to the 327,000 jobs that have been created or retained by administration efforts, the \$2 billion that will be invested in diversifying our economy, the 19,000 out-of-work citizens who have been matched with jobs through the MI Opportunity Partnership, and the nearly \$3 billion in infrastructure projects that are being accelerated over the next three years as evidence that the plan is working. Granholt noted that 99,000 more people are working today than when she took office, but noted that because people are still being impacted by the economic transition, there is still much work to do.

"We have been working the plan," said Granholt. "We have been consistent, disciplined, and unwavering in executing it. And tonight, we will move this plan – and our state – forward. We must protect the everyday way of life that Michigan citizens have worked so hard to build."

Granholt outlined four specific steps her administration will take this year to continue the work begun by the Jobs Today, Jobs Tomorrow plan. Specifically, the Governor called for:

- investing in our 21st century economy by going anywhere and doing anything to create jobs and fighting to protect the jobs we have;
- investing in the health of our citizens by dramatically increasing the number of people who have access to affordable insurance;
- investing in education and the quality of our schools to ensure all of Michigan's children have an opportunity for a quality education, access to higher education, and that Michigan has the best-educated workforce in the nation;
- investing in the safety and security of our families by calling for an increase in the minimum wage, giving every worker an opportunity to save for retirement, protecting our seniors in nursing, demanding new standards of corporate accountability and ethics laws for elected officials.

To expand on the initial successes of the Jobs Today, Jobs Tomorrow plan, Granholt pledged to continue traveling across the country and around the globe. The Governor outlined her plan to make Michigan a national leader in the development of alternative energies attracting these growing businesses to Michigan. She also pledged to continue

her efforts to force Washington leaders to partner with us to help the state's struggling manufacturers by crafting a national health care plan, promoting fair trade policies, and reforming pension laws. In addition, the Governor said she would continue to make Michigan friendly to business by continuing to reduce permitting time.

Governor Granholm also proposed a revolutionary new health care plan to provide access to affordable health insurance to more than 500,000 uninsured citizens. The Michigan First Health Care Plan will make affordable private health plans available to small business employees, the self-employed, and the working poor without access to traditional employer-based health insurance or government-run programs. The Governor noted that cutting the state's uninsured population by half will create significant savings for businesses and citizens who subsidize uninsured health care. To give every child an opportunity for a quality education and access to higher education and to ensure that Michigan has the nation's best-educated workforce, the Governor proposed a series of measures to strengthen our schools. The Governor called for quick action on her proposal for a tough core curriculum and her new \$4,000 Merit Award scholarship to ensure that every student has the tools they need to succeed and the opportunity to continue their education beyond high school. The Governor indicated she would call for significant new investments in education, after school programs, and early childhood education in her upcoming budget. In addition, the Governor called for measures to protect children from bullying, engage parents in the education process, and ensure that teachers receive training in maintaining discipline in the classroom.

Continuing her efforts to protect Michigan's families, the Governor outlined a series of new measures to protect their financial and personal security. The Governor called on the Legislature to allocate the additional \$25 million she called for to help provide home heating assistance, to raise the minimum wage, to cut insurance rates by 20 percent, to pass tough new ethics standards and demand corporate responsibility, to provide workers access to pension savings plans, and to require criminal background checks for employees in nursing homes and elder care settings.

In closing, the Governor asked all Michigan residents to believe in our collective future. "I invite you to join me in believing in that next chapter of Michigan's history," she said, "and then join me in writing it."

And The State of the State Is?

Tonight in her State of the State Address, Gov. Jennifer **GRANHOLM** chose to avoid answering the central question that the title of the speech suggested she would answer — what is the state of the state?

Rather than describe Michigan's current situation as "turning the corner," "in flux," or "poised for recovery," the Governor bypassed the underlying question altogether. Instead, in the portion of the speech where a Governor usually declares the state's status, Granholm defined whom she wanted to give her speech to.

"State of the State addresses are traditionally formal affairs where the Governor talks policy with the Legislature," Granholm said. "People with titles and expensive suits pack this ornate hall. With the utmost respect to you, I ask your indulgence as I speak more directly tonight to our employers — the people of Michigan."

Other interesting aspects of tonight's speech included the following:

The numbers

The governor tossed out some positive economic numbers that will likely have her opponents scrambling to debunk. Among these were the claim that the administration had created and retained 327,000 that otherwise would have gone elsewhere and that 99,000 more people are working in Michigan today than they were when she took office.

Guess Who's Coming To The Speech

Ward **CONNERLY**, the backer of the Michigan Civil Rights Initiative (MCRI) attended the speech as the guest of Rep. Leon **DROLET** (R-Clinton Twp.).

Those rascals in Washington

As expected, the Governor blamed part of Michigan's economic woes on the Republican administration in Washington.

"Believe me, Michigan will continue to do everything in its power to support our manufacturing sector," Granholm said. "We know state government has a role. But as manufacturing CEOs have repeatedly told me: 'no state can fix this problem alone.'"

"No state can adopt or enforce trade agreements," Granholm continued. "No state can impact the nation's laws on pensions. The leadership in Washington must be our partner in responding to the crushing challenges of a global economy. A partner. Not a bystander."

Did They Focus Group This?

Just about the first item Granholm mentioned in tonight's speech challenging the GOP-controlled Legislature to do something it almost certainly won't do, was removing limits on stem cell research.

"If we are truly serious about improving both the cost and quality of health care in this state, we must tap the full power of modern science to combat life threatening illnesses," Granholm said. "Imagine having to

watch your child suffer with juvenile diabetes. Imagine watching your wife lose her ability to speak, and walk, and even eat, as her Parkinson's worsens."

Following these lines, the Governor called on the Legislature to pass a bill sponsored by Rep. Andrew **MEISNER** (D-Ferndale) to remove the limits on stem cell research.

The Michigan Catholic Conference (MCC) fired off a response that called on all politicians and policy makers to "immediately halt any rhetoric that offers false promises to those families who are suffering."

"Governor Granholm irresponsibly told thousands of Michigan families in her State of the State speech tonight that repealing the state's law prohibiting human cloning and embryonic stem cell research will lead to some sort of miracle cure," said MCC Vice President for Public Policy Paul **LONG**. "Governor Granholm is misleading these suffering families into believing that such 'clone and kill' legislation will alleviate the debilitating diseases that ail humanity. The facts are that scientists have been performing stem cell research on embryos for over 30 years, and to date have yet to produce any miracle cures for which the Governor has spoken."

In closing, the MCC called on the scientific community in Michigan to continue supporting ethical adult stem cell research. According to MCC, this research does not involve embryos and is currently treating some 65 diseases, including Parkinson's disease, Multiple Sclerosis, Sickle Cell Anemia, heart damage and spinal cord injury.

Slow to Respond

If any portion of the speech appeared to fall flat tonight it was when the Governor touted her new Merit Scholarship program, which she introduced a year ago, and with which the Republicans (especially in the House) disagree.

After describing the program, which would give \$4,000 to any student who continues their education beyond high school, not just those who pass standardized tests, the Governor called on the Legislature to pass it.

"Tonight, Michigan's citizens, you should ask this Legislature: "Why are you waiting?"

However, the expected response of support to this from the Democratic side of the chamber appeared somewhat scattered and intermittent.

The Legislature Even Got One

Another issue that Granholm asked the GOP-controlled Legislature to act on, which it almost surely will not, was raising the minimum wage.

"You who are working in minimum wage jobs have not had a raise for nine years," the Governor said. "Even the Legislature got a raise since then."

After Those Insurance Companies Again

Tonight, Granholm once again asked the Republican-controlled Legislature to pass legislation to roll back insurance rates by 20 percent — something that simply isn't going to happen.

Left On The Cutting Room Floor

Gov. Jennifer **GRANHOLM** ended up axing from her prepared remarks four specific items and a general call for Michiganders to begin living healthier lives this evening as her fourth State of State address started running long.

The governor was ready to call for the "strongest notification law in the country," a measure proposed by Sen. Gilda **JACOBS** (D-Huntington Woods) and Rep. Kathy **ANGERER** (D-Dundee) to freeze a person's credit report the moment identity theft has been detected. She also wants tougher new penalties for high-tech criminals.

On the issue of methamphetamines, the state's fastest growing narcotic, the governor asked for a new law allowing law enforcement to charge parents who "cook meth" in their homes with statutory child abuse "because that's what it is."

She said she supports legislation that ensures military men and women will get their old jobs back when they return from duty.

"It may be impossible to calculate the debt we owe to those who risk their lives for their country, but this we do know," Granholm had written in her prepared remarks. "We owe them the right to return to their lives and their jobs in Michigan."

Finally, the governor called for a national cap on exorbitant oil company profits, something she's done before.

The other noteworthy deletion was a call for Michigan residents to live healthier lives by eating better, exercising regularly and not smoking. She was slated to ask her directors of Community Health and Labor & Economic Growth, her state Superintendent and the Surgeon General to work together to develop healthy-life partnerships with schools, companies, organizations, schools ... basically everybody.

Over Capacity, But Prepared

According to Capitol Facilities Director Jerry **LAWLER**, the annual State of the State Address has for years and years brought in crowds that far exceed the House floor's capacity — but the support team is prepared for any emergency - should it ever arise.

The crowd tonight was pegged at between 1,000 and 1,200 attendees. While Lawler couldn't remember the exact number the Fire Marshal rated for the room, he did say it was well below the 1,000 mark.

To be safe, a member of his staff sits throughout the address and visually monitors the fire detection system, rather than relying on alarms. Lawler also added the appropriate staff and State Police officials to run through drills and training about evacuating the crowded room safely, if it were ever necessary.

The most recent run down of procedures before tonight's speech took place at 5:30 p.m.

"We just wanted to remind everybody of where they need to be and what they need to do," said Lawler.

Health-care changes target those struggling in Michigan

Thursday, January 26, 2006

By Brian Wheeler
bwheeler@citpat.com -- 768-4928

Carol Glaspie has been out of work for two years. Even with Medicaid and discounts from physicians, she struggles with the bills that likely will remain after she goes to school to become an architect.

"I've got a lot of doctor bills to pay," she said Wednesday, looking over information at the Michigan Works office in Jackson. "I basically have to pay."

The Jackson resident would be a beneficiary of a sweeping health-care overhaul that Gov. Jennifer Granholm offered Wednesday.

Granholm used her State of the State address to call for \$1 billion in spending to cover half of Michigan's 1 million residents who lack health insurance. Banking on state and federal funds, the governor would have the state issue health-care cards to cover even a family of four that makes \$38,700, twice the poverty level.

The effort would be significant, boosters say, because it addresses people who work but don't have health coverage. Estimates put Michigan's uninsured at 1 million people, or one in 10 residents.

Using that ratio, some 16,000 Jackson County residents lack insurance.

"We have a significant percentage of our population that is struggling," said Marsha Kreucher, chief executive officer of the Community Action Agency, "from either no insurance or lack of insurance."

"We all pay more, one way or another, if people lack health insurance," said state Sen. Mark Schauer, who represents most of Jackson County.

Jackson County's two state representatives reserved judgment on the governor's idea until more details emerge. Rep. Leslie Mortimer, R-Horton, said covering the uninsured has been a priority for her and the Legislature.

Rep. Rick Baxter, R-Concord, said it appears the governor's office hasn't yet fleshed out its proposal. He wondered about claims that the state can find \$400 million in its budget and leverage even more in federal funds.

"If there's that kind of money out there to be saved, why haven't we been doing it already?" he asked.

Georgia Fojtasek, Foote Hospital's CEO, said the issue of the uninsured is significant because those who lack care often wait to seek medical treatment.

The hospital also didn't receive \$20 million in patient payments last year, which she called a "stealth tax" on the community.

"At the end of the day, the community pays for this because it gets reflected in our (health) rates," Fojtasek said.

Kreucher said health care is particularly significant for those who clear the poverty line but not by much. Generally, they don't have access to such financial resources as Medicaid but can't afford medical costs out of pocket.

As employers have cut back on health-care commitments, she said, that's a growing issue.

"It's an issue for low-income people. It's an issue for employers. It's an issue for middle-income people," Kreucher said.

Hopefully Stated

Realities will challenge Granholm's inspiring view

January 26, 2006

Gov. Jennifer Granholm has never had the opportunity to deliver a State of the State speech under good economic circumstances. Yet even with Michigan's primary industry in a tailspin, Granholm still managed to offer optimism Wednesday night.

Under the theme "Working Our Plan," Granholm pounded away at the number of jobs that *haven't* left Michigan, along with those she has lured to the state. She rightly noted that Michigan retains the brains of the North American auto industry, that even more companies ought to want to get into the mix here, and that she'll never stop trying to reel them in.

That might have felt like too much to the workers laid off in Wixom. Still, Granholm can be downright inspiring. Even Republicans showed enthusiasm as she ticked off some of the jobs coming to Michigan and the state's strengths.

But 2006 is also an election year, with the Democratic incumbent poised to square off against presumed Republican nominee Dick DeVos. Eventually the speech turned into political mishmash. There was the call to raise the minimum wage, a play to the Democratic base; a pledge to streamline paperwork for businesses, which should appeal to Republicans; and an intriguing plan for a 401(k)-like program available to anyone who doesn't have one at work, which ought to appeal to everyone.

While many of the ideas are worthwhile, they built into a wearying list of calls for action on topics as scattered as oil company profits and sentences for operating meth labs.

Unfortunately, that took the edge off some of her most important works in progress: the need to stiffen Michigan's graduation requirements and get more students through training programs or college. Her health care initiatives -- a plan to offer insurance through the state and pilot programs to test electronic records -- have a potential that she did not fully communicate, either. After this glut of proposals, Republicans may try to characterize Granholm as a big government Democrat. But Granholm has not raised general taxes and has succeeded surprisingly well at managing the state on a shoestring.

It's not clear what rabbits she'll pull out of her hat two weeks from now, when she delivers her budget for the next fiscal year and tries to cram in programs that require new spending. It's not clear, either, whether the Republican-dominated Legislature will let her succeed.

But with this speech, she set forth a much needed confidence that Michigan will see better days. She has less than 10 months to convince voters weary of bad news that her confidence is well placed.

OMBUDSMAN REPORT SHOWS D.H.S. POLICY NONCOMPLIANCE

The latest report by the state's Office of Children's Ombudsman shows that the largest portion of its complaint investigations were due to noncompliance by Department of Human Services staff with policy and statute.

The news troubled House Family and Children Services Committee Chair Rep. John Stahl (R-North Branch), who said the information shows something has to be done to get workers to ensure the law is complied with and that children are not put at risk.

The report documents the DHS from 2003-2004, in which the Ombudsman's office received 801 complaints involving 1,419 children. After analysis, the office identified 306 cases that did not fall within its jurisdiction to investigate. Of the remaining cases, 315 were considered valid complaints but were not investigated because they do not meet the office's criteria, such as too much time has lapsed between a violation occurrence and complaint.

The office referred 15 cases for immediate action by DHS and investigated 136 other cases, finding that 59 of those cases involved no violation. Seventeen more cases were closed after it was found that agency had already taken care of the situation or the complainant withdrew the complaint.

Finally, 60 cases resulted in the office reporting findings and making recommendations, including 154 individual findings where there was noncompliance with the law or agency policy and 68 findings that were a result of poor practice or decision-making.

In its recommendation, the office identified three areas where improvements could be made. First would be to achieve timely residence permanency for children, which entails following state and federal standards already in statute, creating a hierarchy of review for each case, establishing a zone review for problematic court orders, filing for parental termination as soon as the grounds exist to put a child up for adoption, creating leadership in local permanency teams, support modifying court rules to allow for permanency decisions at each review hearing and support the creation of model permanency courts in the state.

The second area covers the frequency and quality of parenting time, which involves increasing parental time with infants and young children to meet developmental needs and establishing a statewide Parenting Time work group.

The last recommendation involves enhancing placement and familial connections by increasing compliance with statute and policies, develop a uniform definition of a relative and provide support service referrals for relative caretakers.

The DHS, in responding to the recommendations in the report seems to support all the proposals, at least in part, however, it also stresses that limited staffing could hinder its ability to implement the recommendations, saying that it works at 76 percent staffing level compared to the national average.

As for staff compliance with rules already in place, Ron Hicks, legislative liaison for the department, said a meeting or hearing will be set up with lawmakers from the committee. Mr. Stahl urged that meeting since he received information that in one case, children were taken away from a grandmother because of allegations of sexual abuse. However, no investigation was conducted and while the children were finally returned to the grandmother, the caseworker who made the mistake is still assigned to the case.

Although Democrats argued that the committee should review the case further and hear all sides of the story, Mr. Stahl said that the fact that the situation even happened shows a major problem with the system.

January 26, 2006

Hearns must watch temper Boxer pleads no contest in son's assault, draws probation, anger management classes.

Mike Martindale / The Detroit News

SOUTHFIELD -- Boxing legend Thomas "Hitman" Hearns pleaded no contest Wednesday in Southfield 46th District Court to a charge that he assaulted his 13-year-old son on New Year's Day and was sentenced to probation in the incident.

The 47-year-old Hearns -- who moved out of the house after he was ordered not to have any contact with his teenage son when he was charged in the Jan. 1 incident -- appeared humble and contrite in the courtroom.

"The only thing I'd like to say is the last three weeks of my life, they have not been the best three weeks of my life," Hearns told Judge Shelia Johnson. "I've learned something and I will not do it again."

Johnson noted how the Southfield police report indicates that the incident took place when Hearns and his son had argued in their home and became involved in an altercation during which Hearns pushed his son and struck him once in the face with "an open-handed slap."

Police reports indicate that the teen disobeyed Hearns' directive to turn up a thermostat in a bedroom where he was playing a computer game.

"You are a dutiful parent and have always taken an interest in your children," Johnson told Hearns. "This was an unfortunate, bad situation and hopefully something was learned and it will not happen again."

"Children have to realize there are times they have to be disciplined. And parents have to act in appropriate manner when they do and not let the heat of the moment decide it."

Hearns, who has no prior criminal history, qualifies for a first-time domestic offender program which, if it is successfully completed, could mean the assault incident would be erased from his record.

Assault and battery is a misdemeanor that can carry up to 93 days in jail and a \$500 fine.

Johnson's sentence for Hearns included:

Nine months probation

\$515 in court fees and fines

Two days of community service

No alcohol or unprescribed drugs and an immediate baseline urinalysis test

Parenting and anger management classes

Family counseling

Compliance with protective services

The boxer's wife, Renee, who called 911 during the altercation, accompanied Hearns to the hearing and sat in the courtroom a few feet away. Hearns' son was not present during the brief hearing.

Oakland County Assistant Prosecutor Keri Middleditch said Johnson's sentencing was "just and typical, considering the circumstances in the case."

Boxer Hearn's Learns Sentence In Assault Case

Charges Stem From Incident With 13-Year-Old Son

POSTED: 10:19 am EST January 26, 2006

SOUTHFIELD, Mich. -- Former boxing champion Thomas Hearn's was sentenced to nine months of probation after pleading no contest to a charge that he assaulted his 13-year-old son. Hearn's entered the plea Wednesday before Oakland County District Judge Shelia Johnson.

"The only thing I'd like to say is the last three weeks of my life, they have not been the best three weeks of my life," Hearn's told the judge. "I've learned something and I will not do it again." Hearn's, 47, moved out of his suburban Detroit home after he was ordered not to have any contact with his son when he was charged in the Jan. 1 incident.

Police said they were called to Hearn's home by his wife on a report that Hearn's had struck his son. When they arrived, police said they found the teenager with a small cut and a bruise over one of his eyes.

Hearn's, who police said pushed his son and struck him once in the face with "an open-handed slap," was arrested without incident.

In addition to probation, Johnson also ordered Hearn's to pay \$515 in court fees and fines, perform two days of community service, avoid alcohol and unprescribed drugs, undergo parenting and anger management classes, and participate in family counseling.

Hearn's had no criminal record before the Jan. 1 incident. He could have received up to 93 days in jail and a \$500 fine.

Hearn's held WBA, WBC, WBU and IBO titles ranging from the welterweight to cruiserweight divisions between 1980 and 1999, and had memorable fights with Sugar Ray Leonard, Roberto Duran and Marvin Hagler. He began a comeback in July with an eight-round victory over John Long.

Man faces sex assault charges

Muskegon Chronicle

Thursday, January 26, 2006

FROM LOCAL REPORTS

A 42-year-old Grand Haven Township man faces three first-degree criminal sexual conduct charges involving a girl under the age of 13 three years ago.

James Jay Sloan, now living in Fruitport, was arraigned in 58th District Court and was released on a \$5,000 personal recognizance bond.

His preliminary examination is scheduled for Tuesday. He was ordered to have no contact with the victim or children younger than 18.

According to the Michigan State Police Post, Sloan allegedly had sexual intercourse at least three times with a girl who was younger than 13 at the time.

Detective Sgt. Gary Miles said there is evidence the sexual assaults have continued since then.

Miles said the prosecution opted to press charges for the earlier assaults because the girl was younger than 13 at the time, making the alleged offenses first-degree criminal sexual conduct punishable by up to life in prison.

State may pay tab for checks of school staff

January 26, 2006

BY LORI HIGGINS

FREE PRESS EDUCATION WRITER

School administrators struggling to determine how they're going to pay for fingerprinting and background checks for their employees may soon rest easy. Legislation has been introduced requiring the state to pick up the tab for some school workers.

Laws aimed at protecting children from sex offenders took effect Jan. 1. They require fingerprinting and background checks for all school employees.

Previously, only teachers, administrators and some school support staff had to meet the requirement. But their fingerprints and background information weren't retained, so they must go through the checks again. In many cases, the employees had to pay to have the checks done.

The legislation introduced Wednesday by Rep. John Moolenaar, R-Midland, would require that the state pay for the fingerprinting and background checks for such employees.

It costs about \$70 per worker for the fingerprinting and background checks. "We wanted to make sure that people didn't have to pay twice as a matter of fairness," he said.

The legislation would cover more than 50,000 school workers and cost the state about \$3.5 million. Moolenaar said the state could pay for it using a \$94-million surplus in the State School Aid Fund.

"Absolutely we're in support of that," said Margaret Trimer-Hartley, spokeswoman for the Michigan Education Association, the state's largest union for school employees.

Contact **LORI HIGGINS** at 248-351-3694 or higgins@freepress.com.

Court makes child pornography downloads a 20-year felony

Thursday, January 26, 2006

By John S. Hausman

MUSKEGON CHRONICLE STAFF WRITER

The Michigan Court of Appeals has set a statewide precedent by unanimously ruling in favor of the Muskegon County Prosecutor's Office position in the ongoing child-pornography case against former Egelston Township Treasurer Brian Lee Hill.

The higher court Wednesday released an opinion upholding the prosecutor's position that Hill is properly charged with "making" or "manufacturing" child pornography -- a felony punishable by up to 20 years in prison -- for allegedly downloading commercial Internet photographs of child sex onto computer disks for his personal use.

Hill's lawyer had appealed the charge in a pretrial motion, arguing that the proper charge should have been "possession" of child porn, a four-year felony.

It's an issue that had never before been addressed by a Michigan higher court, meaning this week's ruling sets a precedent for the entire state.

"It's groundbreaking law in the area of computers and pornography," said Prosecutor Tony Tague. "This decision will provide a tool to prosecutors across the state, particularly in curbing and prosecuting child pornography.

"My office is extremely pleased that the court has made this tool available to us," Tague said. "It will allow us to ensure that a punishment is given to child pornographers, because they now face up to 20 years as opposed to four."

A defense appeal to the Michigan Supreme Court is likely, but in the meantime Hill's long-delayed trial is expected to be put back on the schedule.

The longtime township treasurer, who resigned in November, is charged with five counts of making or producing child sexually abusive material and five counts of using a computer to commit those crimes -- also a 20-year felony.

The child pornography counts stem from police discoveries of numerous images of young boys engaged in sex acts found on computer disks in Hill's home. The images were downloaded from commercial Web sites.

In addition, Hill faces three counts of eavesdropping by installing a video device, a two-year felony, for snooping with a hidden camera on male teenage exchange students using the shower in his home at 1265 Drent.

The court of appeals last August took the unusual step of ordering a delay in Hill's trial, which had been set for Aug. 23, while it considered the previously unsettled legal issue of "making vs. possessing" child porn.

Legally speaking, what the appeals justices did this week was to uphold a succession of court rulings in Muskegon, all of which had supported Tague's position.

The higher court affirmed the original decision of 60th District Judge Michael J. Nolan ordering Hill bound over for trial on the tougher child-porn counts, which 14th Circuit Judge Timothy G. Hicks later upheld after Hill's attorney filed a motion to "quash," or reverse, the bindover.

In a written opinion signed by justices William B. Murphy, Brian K. Zahra and Janet T. Neff, the appeals court stated: "(W)hen one 'makes' a 'copy' or 'reproduction' of a picture or image showing children engaged in sexual acts, he or she has made child sexually abusive material, which, according to (Michigan law), is a felony punishable by up to 20 years' imprisonment."

Thursday, January 26, 2006

Special Letter

State shouldn't put children's health at risk

The Jan. 12 editorial, "Unworkable mercury rules will damage state economy," is an unfortunate distortion of the facts concerning mercury pollution from power plants.

The News argues that Illinois' recent decision to require power plants to reduce mercury emissions by 90 percent by 2009 "is not feasible," citing the Environmental Protection Agency's "plans for a 70 percent cut by 2018" as a more workable requirement. Let's not forget, however, that the EPA estimated in 2002 that power plants could reduce mercury emissions by 90 percent by 2008 using existing technology.

Then, after the Bush administration ignored those scientific findings, crafting weak standards instead, 15 states filed suit against the federal government for failing to faithfully abide by the Clean Air Act, which requires mercury to be reduced as much as is technologically feasible.

In other words, The News has things backwards: It's Illinois that has sound reasoning for its numbers, not the federal government. If Gov. Jennifer Granholm demands 90 percent reductions in Michigan by 2013, coupled with the recent action in Illinois, Michigan will dramatically reduce mercury levels in our environment, protecting the public from a dangerous toxin. The other option is to do nothing and argue that placing our children at risk for brain damage is an acceptable cost of doing business in our state.

I know where the News stands on this issue, but I also know that most Michiganians disagree.

Jason Barbose

Field Organizer Public Interest Research Group in Michigan Ann Arbor

Stop the abusers

Reading the article on child abuse just sickened me ("When adults lose control, babies die," Jan. 24). There should be mandatory sterilization for these monsters, so if they ever do get set free they can't bring any more victims into the world.

Pauline Costianes

Canton

Letters to the Editor

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(No attachments, please)

January 24, 2006

HOUSE PANEL APPROVES NURSING HOME BACKGROUND CHECKS

New employees at nursing homes and other long-term care facilities would have to submit to criminal background checks and would be prohibited from working in the facilities if certain crimes appeared on those records under legislation reported from the House Senior Health, Security and Retirement Committee Tuesday.

The bills ([SB 621](#) and [SB 622](#)) are part of a package to implement a federal grant program to study the effects of the background checks and work prohibitions. The other bills ([HB 5448](#) and [HB 5168](#)) are expected to be reported from the Senate Health Policy Committee on Wednesday with action on the respective floors next week.

Supporters said the goal was to have the bills enacted in time to have the program in place by March as required under the terms of the grant.

Under the agreement on the bills, which received unanimous support in the House committee but saw objection from employee unions, the number of crimes for which applicants could be prohibited from working in a nursing home is expanded. The periods of prohibition from any work involving direct contact with patients are also strictly set, but applicants could appeal if the background check turns up a conviction they feel is inaccurate.

For assaultive felonies or those involving abuse or neglect, applicants would have to wait 15 years from the end of the sentence to begin work. Other felonies would impose a 10-year wait.

Violent misdemeanors would carry a 10-year wait from the date of conviction, while lesser misdemeanors would carry either three- or five-year waits.

For current employees, such prior convictions would not affect their employment unless they chose to transfer. Moving between facilities of the same company would require only that the employee put his or her fingerprints on file. Moving to a new company would require a full background check, but as long as none of the convictions fall after the effective date of the act.

Current employees, and anyone hired after the act becomes effective, would be required to notify his or her employer after being arraigned for any of the designated crimes. And a conviction would subject the person to the work prohibitions in the legislation.

The cost of the background checks would initially be covered by the federal grant, but supporters expected Medicare and Medicaid would cover the costs once the grant expires.

The grant also would require the Department of Labor and Economic Growth to provide annual reports on the number of applicants affected by the prohibitions as well as the number of and results of appeals of employment restrictions.

Sen. Tony Stamas (R-Midland) noted that the law could be adjusted based on the findings of those reports.

Authorities: Boy showed loaded gun to students

Thursday, January 26, 2006

By John S. Hausman

MUSKEGON CHRONICLE STAFF WRITER

A 14-year-old Muskegon Heights boy allegedly carried a loaded pistol in his waistband and repeatedly "brandished" it in front of other students in his middle school before stashing it in his locker, where school officials found it.

That detail came out at Wednesday's preliminary hearing in Muskegon County Family Court for Jermaine Clifford, a student at Muskegon Heights Middle School, 55 E. Sherman.

After the brief hearing, court Referee Kathy Hoogstra found probable cause to formally charge Clifford with four felony counts: possessing a dangerous weapon in a weapon-free school zone, punishable by up to five years in prison if sentenced as an adult; carrying a concealed weapon on his person, also a five-year felony; possession with intent to distribute an imitation controlled substance, a two-year felony; and a felony firearm count, a two-year felony.

The Muskegon County Prosecutor's Office also requested a "designation hearing," to be held within 14 days, at which a Family Court referee or judge will decide whether Clifford is to be "designated" as an adult. If so, the Family Court judge who ultimately sentences the boy -- in case of conviction -- would have the option of imposing an adult sentence.

Hoogstra set bond at 10 percent of \$100,000 and ordered Clifford held at the Muskegon County Juvenile Detention Center. In addition to the designation hearing, the boy is to be scheduled for a pretrial conference in about 30 to 45 days.

Clifford was lodged at the detention center Tuesday for a probation violation after being taken into custody at school shortly after 9 a.m., authorities said. A .22-caliber pistol recovered from his locker was loaded, and the boy was already in the principal's office when police arrived.

The boy already has a juvenile record that includes cocaine possession, breaking and entering, and resisting police, according to the prosecutor's office.

Prosecutors said several students and a parent came forward Tuesday morning saying the boy was seen with the gun in school on Monday. One of the students had come home from school Monday and told the parent about the gun.

Authorities said the weapon was discovered to have been stolen. The boy reportedly told police he got the gun from an acquaintance.

In court Wednesday, Assistant Prosecutor Matt Roberts cited an ongoing follow-up investigation by a Muskegon Heights police detective. In interviews, four students told police that Clifford "did brandish (the pistol) several times from his waistband" before it was found in his locker, Roberts said.

After Clifford's arrest, Roberts said, authorities found 40 additional rounds of ammunition in the boy's coat, as well as eight individually wrapped rocks of what looked like crack cocaine but proved after testing to be fake -- the basis of the "possession with intent" charge.

Roberts asked that Clifford be held at the detention center without bond, calling him "an immediate and credible threat to public safety."

1/26

IN A MINUTE

DETROIT

Student charged with carrying a weapon at school

A 16-year-old student at Detroit's Henry Ford High School was charged Wednesday with carrying a concealed weapon inside the school.

The teen was arrested Tuesday afternoon at the school during a sweep by Detroit police officers. He was standing with a group of boys near a restroom on the second floor when an officer noticed the butt of a handgun sticking out of his pants, according to a police report filed in the juvenile division of Wayne County Family Court.

Officers ordered the boy onto the floor where he was handcuffed and searched. Police found a 9mm Lorcin blue steel automatic pistol loaded with 10 bullets in the clip.

Referee David Perkins set bond at \$5,000 personal bond with an electronic tether. A pretrial hearing was set for Feb. 1.

By Jack Kresnak

Michigan Report

January 25, 2006

AUDIT: FRIEND OF COURT HOLDING UNCOLLECTED SUPPORT

Under state and federal law, county friend of the court offices are supposed to forward any child support payments that are not collected by the custodial parent to the state. But an audit released Wednesday found some offices are still holding the funds.

In a follow-up report to a 2002 performance audit on Undistributed and Undistributable Child Support Collections, auditors found that friend of the court offices were still holding funds past the year they are allowed to.

“As of December 31, 2004, these 10 FOCs still retained approximately \$6.94 million in undistributable child support collections,” the report said of a federal survey of friend of the court offices. “We were informed that the FOCs do not earn interest on these funds. They hold onto the collections because they believe they can find the appropriate individuals and do not want to prematurely escheat any funds.”

Officials with the Supreme Court had not seen the audit and so had no immediate comment.

Terry Stanton with the Department of Treasury said it was not clear by amounts escheated from friend of the court offices whether all of the held-back funds had been passed into the state. “We took in \$5.3 million in November, which is when the unclaimed property reports come in,” he said. “That’s just a shade more than we took in the year before.”

MIRS

January 25, 2006

Audit: FIA Failed To Act On 2002 Finding

According to a follow-up report on a 2002 audit, Auditor General Thomas **McTAVISH** today found that the Department of Human Services (DHS), formerly the Family Independence Agency (FIA), has yet to deal with a key finding from a previous audit.

The 2002 audit found recommended that the local Friend of the Court offices (FOC) forward all child support collections that are un-distributable to the Department of Treasury's Unclaimed Property Division.

In his follow-up audit, McTavish reported that the program had not complied with the audit recommendation. A federal survey of some 18 Friend of the Court offices found that 10 (56 percent), did not transfer un-distributable child support collections, as required.

Michigan Report

January 24, 2006

D.H.S.: CHILD SUPPORT PROGRAM IN JEOPARDY

The Department of Human Services estimates that Michigan parents will suffer a \$300 million loss in child support if proposed federal cuts to state child support programs take effect.

Addressing the Senate Families and Human Services Committee on Tuesday Marilyn Stephens, director of office of child support said federal House members are considering budget cuts that would equate to a 23 percent cut in the total funding for Michigan's child support programs. The programs are responsible for collecting and disseminating child support. For every one-dollar spent on operations the program generates \$6.70, according to Ms. Stephens.

"So the proposed \$58 million cut will mean \$300 million lost in child support in the next five years," she said.

In an attempt to get the child support program in working order, the committee also reported a measure intended to fix an unintended consequence of legislation passed last session.

The DHS legislative liaison, Ron Hicks said SB 891 just cleans up a byproduct of a bill package passed last year.

"Inadvertently treasury had been given full authority to collect child support," said Mr. Hicks, adding that the Federal guidelines prohibit such a practice.

Man Accused Of Shaving Girlfriend's Head Makes Plea

Warren Resident Could Receive Year In Prison

POSTED: 11:16 am EST January 25, 2006

WARREN, Mich. -- A man initially accused of kidnapping his girlfriend and shaving her head has pleaded guilty to a misdemeanor domestic violence charge.

District Court Judge Dawnn Gruenburg ordered James Garvin, 22, of Warren, to get psychological testing and counseling before she sentences him in three weeks. He could get up to a year in jail.

Garvin's attorney, Maroun Hakim, said he has already arranged for his client to see a psychologist to help with his aggression.

Garvin admitted hitting his girlfriend, Nicole Carter, 18, also of Warren.

"I want you to have no contact or communication with her until after sentencing," Gruenburg told Garvin.

Warren police charged him with kidnapping after Carter's family told officers she was being held against her will at his home in early December.

But Carter testified Jan. 17 that she was voluntarily with Garvin and that he hit her after she hit him, so the kidnapping charge was dropped.

A friend had testified earlier that Carter told her that Garvin shaved her head. Carter appeared in court Tuesday with her hair about an inch long. She told police that she cut her own hair.

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Michigan Report

January 25, 2006

HEARING: HEATING PRICES COMING DOWN, LOW-INCOME HELP NEEDED

Experts from the state's energy providers relayed the news Wednesday that home heating bills will be decreasing a bit in February, although testimony from the House Energy and Technology Committee hearing also demonstrated that more funding for low-income assistance is still needed.

While bills for Michigan residents should see drops between an estimated 9 percent and 15 percent due to the warmer weather during the month of January, experts also said that the overall demand for energy by consumers over the past several years has increased at a time when the natural gas resources have reached their full capacity and movement by the federal government is needed to open locations where reserves are not being tapped.

"Everything that can be produced is being produced," said Steve Ewing, vice chair of DTE Energy.

However, energy distributors also said that efforts to conserve power by consumers dialing down their thermostats or providing better weatherization to their homes have helped, in combination with more residents signing up for budget billing and winter protection services have allowed people to prepare for the future hit to their pocketbooks.

"Unlike the gas pump, people don't realize (the cost) until they've used the product," said John Russell, president of Consumers Energy.

While the state has made a push to provide more funding assistance to low-income residents who have trouble paying their heating bills, committee Chair Rep. Mike Nofs (R-Battle Creek) said emergency rules adopted by the Public Service Commission do not protect everyone from having their heat shut off.

Thursday, January 26, 2006

Milder weather cuts heating bills Michigan utilities are reducing their natural gas rates as wholesale prices fall.

Nick Bunkley / The Detroit News

Metro Detroiters shocked by the size of their heating bills this winter will find another surprise when the next one arrives.

But this time, it's good news.

Michigan utilities are reducing their natural gas rates because warmer-than-normal temperatures across the country have caused wholesale prices to fall. The mild weather also means Metro Detroit homeowners are using significantly less gas.

"The weather's been great," said Timothy Wright, a chef at the Detroit Athletic Club who's been working overtime to cover his family's rising expenses. His most recent bill from the Michigan Consolidated Gas Co. was \$270.

"We've been lucky," said Wright, who lives in St. Clair Shores. "This time last year, we were freezing."

On average, a MichCon customer will be charged about \$232 in February, \$77 less than expected. That's more than last winter but is still a considerable savings for those scrambling to make ends meet in Michigan's sluggish economy.

About \$7.70 of that savings is attributable to lower rates, with the remainder a result of lower usage tied to the mild weather. MichCon spokesman Len Singer said most households have been using 15 to 20 percent less natural gas than they usually do in January.

February bills for Consumers Energy customers should average \$183, some \$69 less than expected. About \$14 is the result of reduced rates. For the entire heating season, which stretches from November through March, Consumers Energy now projects that its customers will pay \$125 more than last year -- half of the increase they were told to prepare for last fall.

Customers are happy

MichCon serves 1.2 million customers in Detroit, southwestern Wayne County, Washtenaw County and other parts of Michigan. Consumers Energy has 1.7 million natural gas customers in Oakland and Livingston counties, southern Macomb County and central Lower Michigan.

Ryan Partlan, who paid \$120 to heat his 900-square-foot apartment in Shelby Township last month, was happy to hear rates are on the decline.

"If they're going down now," said Partlan, 26, "that's a good thing because it's starting to get cold again."

The savings are even larger for customers of other utilities. SEMCO Energy, which serves northern Macomb County and St. Clair County, is reducing rates 11.7 percent, or \$26.70 a month on average. In Monroe County, customers of Aquila Networks will see their rates decline 21.3 percent, or \$48.68.

Natural gas is used to heat about four out of five Michigan homes, mostly in urban and suburban areas.

Natural gas futures, the price utilities pay for the gas they distribute, have fallen 46 percent since reaching a record \$15.78 per 1,000 cubic feet Dec. 13. Hurricane damage to production facilities in the Gulf of Mexico has made supplies tighter than normal.

However, warmer weather at the end of December and throughout January has allowed supplies to accumulate at a time when demand is usually at its highest. Metro Detroit has experienced one of the warmest Januarys on record.

"It seems Mother Nature has mildly apologized for beating us so badly in August and September," said Tancred Lidderdale, an economist for the U.S. Energy Information Administration. "But we're not out of the winter yet. A warm January doesn't mean it's going to be a warm February, and the way the natural gas market is, it's a very tight market, which leads to volatile prices."

March rates up in air

Utilities don't know how much they'll charge in March. The Michigan Public Service Commission has approved maximum rates for each utility, but they can charge any amount below the cap without seeking state approval.

State law requires utilities to pass on the cost of the gas they buy to customers with no markup for profit. Utilities that charge too much could be forced to issue refunds, including interest.

"It's in their interest to get that number as close as possible to what they're actually paying," said public service commission spokeswoman Judy Palnau.

Utilities attribute the reduced demand for gas not only to the weather, but also to energy conservation efforts that experts have been promoting to help consumers prepare for this winter's high bills.

MichCon and Consumers Energy have reduced rates in the past but not very often. Both companies raised rates four times in 2005.

"Any time the price goes down is a good thing," said Consumers Energy spokesman Jeff Holyfield, "but for it to happen in the winter is unusual."

Benita Mullins, whose home in Detroit overlooks Belle Isle, got a gas bill for \$458 several weeks ago, despite turning the thermostat down to 65 degrees. "It's atrocious," she said. "I used to be able to get through the whole winter for \$500."

Mullins, 87, offered another explanation for the utilities' decisions to reduce rates: "They must have gotten tired of all the nasty things people have been saying about them."

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Mild winter brings down heating bills

Natural gas costs lowered by 7 percent

PUBLISHED: January 26, 2006

By Dan Heaton
Macomb Daily Business Editor

Residents will pay less for their natural gas next month.

The Michigan Public Service Commission said the warmer weather in late December and so far this month has lessened the demand for natural gas, reducing its price. With the decrease, the service commission has reduced the rates that local utility companies can charge by more than 7 percent for most Macomb County residents.

The commission said Wednesday that with the February bill, Consumers Energy will charge customers 7.1 percent less for gas used, going from \$8.9899 per million cubic feet of gas to \$8.19999 per million cubic foot. SEMCO will charge \$9.7600 per million cubic foot on the February bill, an 11.7 percent reduction from the \$11 on the January bill. The commission estimated that the reduction will save the average household about \$13.98 on the February bill, compared with the January bill. For SEMCO customers, the savings will be about \$26.70.

"Thanks to warmer than expected temperatures and the falling price of natural gas, Michigan customers will see substantial savings on their February bills," said commission Chairman J. Peter Lark.

The price of natural gas fluctuates daily on the open market, much like the cost of gasoline. The commission sets a rate for each utility to charge each month, based on the utilities' gas costs.

"Utilities do not make a profit on the cost of natural gas," the commission said.

Consumers Energy said it is able to charge a lower rate for natural gas because it has huge storage reserves, which reduces Consumers' need to purchase gas during the costliest periods.

Lark added that customers can also save on their bills by dialing down their thermostats, noting that every degree dialed down results in a savings of approximately 3 percent.

If temperatures continue to stay above normal, it is possible for savings to continue into March, the commission said.

A local forecaster said Wednesday that temperatures are expected to fall more back in line with normal for the next month or so, however.

"I think we will be closer to normal the remainder of the winter. We've

really had a break here this past four weeks or so," said Bill Deedler, a meteorologist with the National Weather Service's White Lake office in Oakland County.

"Late November and early December were very cold and snowy, then January has been warm. I think we are going to balance some of this out with average Michigan weather now," Deedler said.

He said temperatures in the Detroit area in February have average highs in the middle 30s and lows in the mid-20s.

The average overall temperature for the month of February in the Detroit area is 27.2 degrees, he said.

Sale for homeless vets moves

Thursday, January 26, 2006

By Gary W. Morrison
The Grand Rapids Press

GRAND RAPIDS -- Organizers of an outdoor garage sale to fund health services for homeless veterans hope to do better with a new location.

Last year, Health Care for Homeless Veterans raised \$2,500 in a lot across the street from the Veterans of Foreign Wars-Creston Post 3023 at 1535 Monroe Ave. NW.

This year's sale will be in June at the Veterans of Foreign Wars Post 702, at 2554 Burlingame Ave. SW in Wyoming.

"We are using semitrailers to store items we collect for the sale," counselor Dick McDonald said.

"We moved the location because it was hard to get semitrailers that would fit under the trestle that crossed Monroe Avenue."

McDonald said the group is accepting all items.

"We're looking for large and small appliances, tools, books, televisions, VCRs and computers," he said. "Anything you'll sell at a garage sale will be sold at our event."

The sale will take place 9 a.m. to 4 p.m. June 1, 2 and 3, McDonald said.

The money will help fund the annual Veterans Stand Down, an attempt to connect veterans to services that can help them, McDonald said. This year's stand down will take place Aug. 9 behind the organization's office at 349 S. Division Ave.

"The money from the sale will help provide food and clothing for veterans that attend the stand down," McDonald said.

"Veterans also will have access to legal services and health screening."



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF HUMAN SERVICES
LANSING



MARIANNE UDOW
DIRECTOR

News Release

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Task force to advocate for "aging out" foster youths will meet Jan. 26

January 26, 2006

LANSING - A new state task force, which meets for the first time today, will look at ways to connect foster youths with caring adults and help them transition into independent living.

Michigan Department of Human Services Director Marianne Udow and Supreme Court Justice Maura Corrigan will serve as co-chairs of the task force. The task force will meet on **Thursday, January 26 from 10:30 a.m. to 3 p.m. in the Michigan Hall of Justice, located at 925 W. Ottawa Street in Lansing. The meeting will take place in the main conference room (1S-74) on the first floor of the Hall of Justice.**

"Every year, hundreds of children age out of our foster care system without a connection to a caring adult," Udow said. "They face enormous challenges staying in school, finding safe and stable housing, supporting themselves financially, and getting needed physical and mental health care."

The task force will look at ways to ensure that foster care youths have permanent connections with caring adults, as well as the state and community supports they need to become successful adults. The task force will address services needed by transitioning youths and will prepare recommendations to the Michigan Legislature by September 2006.

The meeting will include a presentation, "VOICE: Discussing Issues and Concerns of Michigan Foster Youth" by members of the State Youth Policy Board, who will talk to the task force about their own experiences in foster care.

"Even 18-year-olds from stable homes are rarely able to be truly independent," said Corrigan. "They need their families for emotional and financial support. While some are able to succeed on their own, young people who have spent their adolescence in foster care, without the benefit of a permanent and caring connection to an adult, are usually less prepared to meet the challenges of adulthood."

Members of the task force are:

Marianne Udow, Co-chair	Director Department of Human Services
Hon. Maura Corrigan, Co-chair	Supreme Court of Michigan
Tonya Allen	Skillman Foundation
Tom Atwood	Nat'l Council for Adoption
Tom Bernthal	Michigan Community College Association
Elizabeth Carey	Mich. Federation for Children and Families

- more -

Task force members (cont'd)

Sue Carnell	Education Advisor to Governor
Brian DeVos	Bethany Christian Services
Mike DeVos	MSHDA
Brenda Fink	Department of Community Health
Mary Alice Galloway	Department of Education
Jessica George	State Youth Policy Board
Kirsta Grapentine	Michigan Adoption Resource Exchange
Sally Harrison	MSHDA
J.J. Hitch	State Youth Policy Board
Cameron Hosner	Vista Maria
Janet Howard	Dept. of Labor & Economic Growth
Ann Jefferson	Jim Casey Youth Initiative
Irene Kazieczko	Bureau of Community Mental Health Services
David LaLumia	Mich. Community Mental Health Boards
Jim Lewis	ChildHelp USA
Nancy Lindman	United Way of Michigan
Christine McPherson	Sault Ste. Marie Band of Chippewa Indians
Bob Miles	Lutheran Social Services of Michigan
Jackie Moffat	Homes for Black Children
Lynn Nee	Mich. Network for Youth & Families
Kathryne O'Grady	State Courts Administrative Office
Mona Perdue	State Youth Policy Board
Sharon Peters	Michigan Children
Shawn Semelsberger	State Youth Policy Board
Veda Thompkins	Families on the Move
Alice Thompson	Black Family Development Inc
Lisa Webb Sharpe	Mi. Dept. of Management & Budget
Derrick White	State Youth Policy Board
Addie Williams	Spaulding for Children
Mike Williams	Orchard's Children's Services
Mary Wood	Michigan Assoc. of Adoptive, Foster and Kinship Parents
Jane Zehnder-Merrell	Michigan League for Human Services

For more information, go to www.michigan.gov/dhs